



City Council
of
Los Angeles



JACKIE GOLDBERG
Councilmember, 13th District

September 29, 1994

Cris Baumgart
Hollywood Sign Trust
7000 Hollywood Boulevard
Hollywood, California 90028

Dear Chris:

I am writing to support the proposal for Hollywood Sign Trust funding of preliminary work on a Business Improvement District (BID) in Hollywood. As you may know, a BID is to a commercial zone what a management company is to an indoor mall. It serves to coordinate security, cleaning, and marketing efforts for participating businesses. The concept is explained in greater detail in the enclosed Planning Report article. I would like to see a BID in Hollywood **without an assessment** for the first year or two, but the impetus for such venture must come from the private sector. About that we have no choice.

Mr. Barrie Wexler and Ms. Lynn Wexler, of Phase2 Developers, and Mr. George Rosenthal, of Raleigh Studios, are providing much needed, private sector leadership in this area. They have embarked on an aggressive, methodical, pro bono effort to bring a BID to Hollywood in conjunction with a very exciting project at the Galaxy. Their "Hollywood Studios" project will be a major attraction that will provide visitors with a Hollywood studio experience, complete with filming, commissary dining, and interactive attractions. We have an opportunity to take advantage of their efforts by providing resources for high-powered consultants who can package a "sales document" that will garner the necessary support from businesses and property owners.

Other BID's such as Old Town Pasadena and the Third Street Promenade lacked three basic elements that Hollywood already has when they were formed: a world renowned destination, over \$.5 Million in City funding for special services, and a complete infrastructure. What those BID's did have, which Hollywood needs to develop, was a united commitment by property owners and merchants to take risks and invest in their own properties and businesses. As we all know, this would be a major breakthrough for Hollywood. But I believe that Hollywood is ready for it.

CITY HALL
200 N. Spring St., Room 240
Los Angeles, CA 90012
(213) 485-1333

COMMITTEES
Chair, Personnel Committee
Vice Chair, Public Works
Member, Administrative Services

FIELD OFFICE
3525 Sunset Blvd.
Los Angeles, CA 90026
(213) 907-2693



Chris Baumgart
Hollywood Sign Trust
September 29, 1994
Page 2

The first step in making a BID a reality is securing the support of the affected businesses and property owners. Recent legislation awaiting the Governor's signature extends a BID authority from one year to five years, and extends the assessment from businesses to property owners. As I mentioned above, I would like to see a BID operate without an assessment during its first year or two. We can do so with funds already set aside should the property owners and merchants support the concept. But the proposal has to come from them. It cannot come from me or any public sector agency.

To ensure that property owners and merchants are united in this effort, they must have the benefit of making an informed decision. To do so they must have the facts and a vision of what they want. And they must be able to articulate this with the assistance of a document and renderings.

That is where Phase2 Developers, Raleigh Studios and a strong consulting team come in. Phase2 Developers and Raleigh Studios have used their collective wisdom and commitment to attract consultants for this work at a fraction of the normal cost because everyone involved recognizes the important civic implications of a successful BID in Hollywood. The consultant team they have assembled includes Mr. Richard Hutman, of Karsten/Hutman Margolf, Inc., and Gruen Associates, working with Economic Research Associates and Mr. Lee Strong. They propose to do the necessary research and outreach to produce a "sales document" that will be used to promote a BID. We cannot underestimate the need for a high quality product at this initial phase. I am sure that the consultant team assembled will do an excellent job.

Mr. Hutman is a nationally respected consultant for large projects who has been the project manager on Disney Hall, the Getty Center, and the Broadway Plaza. He has the skills needed to bring a consultant team together and to produce a high quality product that will set the tone for the standard we would want in a BID.

Gruen Associates is an internationally respected consulting firm with tremendous resources specializing in specific plans, entertainment planning, community involvement, transit projects, redevelopment agency planning, and urban design. They are the principal firm associated with the new Westwood Village BID. Their work ranges from the Sulawesi Resort in Indonesia to Magic Mountain to the Beverly Hills Urban Design Plan and Streetscape.

Mr. Dave Wilcox, of Economics Research Associates, will provide the economic analysis and a proposed program design that will

Chris Baumgart
Hollywood Sign Trust
September 29, 1994
Page 3

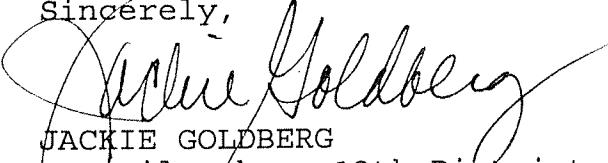
form the meat of the "sales packet". His work has included program design and implementation projects for the West Hollywood Marketing Corporation and the Pasadena Regional Marketing Strategy.

Mr. Lee Strong, of Downtown Focus, is without question most prominent BID expert in California. His consulting firm specializes in organizing assessment districts throughout the State. He implemented the plan for Old Town Pasadena and has worked on at least some portion of just about every other BID in Southern California.

The cost for these top-of-the-line consultants? A total of \$60,000. Mr. Wexler requests that the Hollywood Sign Trust allocate the full amount, but disburse payments directly to the consultants only upon a requisition from him after his review of monthly billings and progress reports. I believe that this is a very sensible approach and recommend that you adopt Mr. Wexler's request. Enclosed is a preliminary fee projection provided by Mr. Hutman to Mr. Wexler.

I hope that you will give favorable consideration to this private sector effort. With your leadership and that of the Wexlers and Mr. Rosenthal, I am confident that we will finally see a successful Hollywood BID that will reap benefits for the City as a whole. Thank you for your consideration.

Sincerely,



JACKIE GOLDBERG
Councilmember, 13th District

Enclosures

JG:vg